Cambridge Assessment International Education

Cambridge O Level

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

5549608441

BUSINESS STUDIES **7115/22**

Paper 2 Case Study **May/June 2021**

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [ ].
- The insert contains the case study.

This document has **12** pages. Any blank pages are indicated.

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[Turn over

1 **(a)** Explain **two** advantages and **two** disadvantages of setting up a business as a private limited company.

Advantage 1: .....

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Advantage 2: .....

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Disadvantage 1: .....

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Disadvantage 2: .....

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..... [8]

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(b) Consider the following **three** factors that affect the location of TT's shop. Which of the locations in Appendix 1 should Tandeep choose? Justify your answer.

- Customers in the area
- Rent
- Types of shops nearby

Customers in the area: .....

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Rent: .....

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Types of shops nearby: .....

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Conclusion: .....

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..... [12]

2 **(a)** Explain **one** likely advantage and **one** likely disadvantage for Tandeep if he decides to import the pushchairs (strollers) he sells.

Advantage: .....

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Explanation:.....

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Disadvantage: .....

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Explanation:.....

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..... [8]

(b) Refer to Appendix 2 and other information. Consider the advantages and disadvantages of TT purchasing toy cars either from a wholesaler or manufacturer. Which channel of distribution should TT choose? Justify your answer.

Wholesaler in country Z: .....

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Manufacturer in country Z: .....

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Recommendation: .....

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..... [12]

3 **(a)** Explain **two** reasons why the cash-flow forecast in Appendix 3 is important to TT.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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..... [8]

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(b) Consider how a job description, job specification and the shortlist of candidates will be helpful in the recruitment process for TT. Which is the most important stage to ensure Tandeep recruits the best person to be a manager at TT? Justify your answer.

Job description: .....

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Job specification: .....

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Shortlist of candidates: .....

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Conclusion: .....

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..... [12]

4 **(a)** Explain **four** reasons why the level of inventory is important to TT.

Reason 1: .....

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Reason 2: .....

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Reason 3: .....

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Reason 4: .....

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..... [8]

(b) Consider how the following **three** legal controls will affect TT. Which legal control will have the greatest effect on TT? Justify your answer.

- No misleading promotion
- All goods must be safe for the consumer
- Restrictions on the type of packaging allowed

No misleading promotion: .....

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All goods must be safe for the consumer: .....

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Restrictions on the type of packaging allowed: .....

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Conclusion: .....

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..... [12]

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